

HUD Multifamily Housing News

"A National Perspective"



Message from Deputy Assistant Secretary Priya Jayachandran



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Thanks to the hard work of everyone in Multifamily, we're off to a great start in 2016. Since the last newsletter in January, we've launched three of our top policy priorities.

First, we published a Notice of Funding Availability (NOFA) for the Supported Services Demonstration for Elderly Households in HUD-Assisted Multifamily Housing. This long-awaited NOFA makes approximately \$20 million available to property owners to support the cost of service coordinators at their properties. We are already seeing a lot of excitement around this with more than 2,000 people attending a recent webinar!

At the end of January, we published the long-awaited revised MAP Guide. Not only does the new MAP Guide make official some current policy executed through waiver, but we introduce a lot of valuable new guidance as well.

Finally, Secretary Castro announced our third big win, a significant reduction in certain Mortgage Insurance Premium rates for certain properties. These reductions are real game changers!

All of these efforts were literally years in the making and they highlight the variety of the work we do in Multifamily everyday. Of course there is plenty of work left to do, so now our focus shifts



to some of the other priorities for 2016 like expanding the LIHTC program, releasing the Family Self Sufficiency Notice and updating the 4350.1 handbook. I invite you to email our communications team and tell me what work you're proud of and maybe we'll highlight it in the next issue!



You can send your comments and suggestions regarding the newsletter to:
MFCcommunications@HUD.Gov

Supportive Services Demonstration Seeks to Support the Elderly

HUD is making approximately \$20 million in funding available for private owners and agents to provide enhanced services to very low-income persons and participate in a research study through the “Supportive Services Demonstration for Elderly Households in HUD-Assisted Multifamily Housing NOFA” issued on January 19 to grants.gov.

The funds will cover services for three years and must be used in properties for persons aged 62 and older. The program is seeking at least 80 properties to participate, 40 of which will receive funding for enhanced service coordinators and wellness nurses, while the other 40 properties will receive modest incentive funds for owners to assist with the rigorous evaluation associated with the study.



Working with colleagues in PD&R and at HHS, Multifamily staff has worked hard to establish the NOFA criteria and get all necessary approvals to move forward with the study.

All the Multifamily staff that worked on making the NOFA a reality are thankful to stakeholders that have supported this valuable opportunity to demonstrate the value of multifamily housing plus services. They expect the results to show that it helps older Americans age in place and contains the cost of their healthcare, providing an overall savings to the government.

Alicia Anderson, who helped develop and launch the program said, “We held a webinar on February 2 that was taped and available from our website. We’ve kept the NOFA application simple so that we encourage as

many applicants as possible to apply. We need enough participants to insure that the evaluation is robust.”

Through the study framework, Multifamily hopes to demonstrate evidenced-based practices, including front-end needs assessments, part-time nursing services, preventive health services and education, engagement with health care providers and assistance with medication self-management to name a few. Improved health outcomes in these projects are expected as the work unfolds in the years to come.

This demonstration will add to the body of research findings that support the need for more investment in this area. Owners and agents can find out more information and the link to apply [here](#).

Opportunities for Choice Neighborhoods Update



In the last edition of this newsletter we highlighted the Choice Neighborhoods Planning and Action Grant opportunity. Thank you to those of you who applied. HUD has received 64 applications. Applicants are listed [here](#). The grant review process is underway and awards are expected to be announced Summer 2016.

Revised MAP Guide Published

The Federal Housing Administration published a new Multifamily Accelerated Processing program or MAP Guide, to guide lenders on underwriting all FHA-insured multifamily housing construction and rehabilitation transactions.

FHA’s new Multifamily MAP Guide is intended to cut the time required to approve loan applications and to assure consistent application of program requirements and credit standards across all HUD processing offices. While the provisions of this new MAP Guide will become effective for all applications for FHA multifamily mortgage insurance received after May 28, 2016, FHA has the authority to approve transactions that incorporate the new policies immediately for

projects with Firm Commitments issued or reissued after date of publication.



“Today, I’m proud to release our new and improved ‘owner’s manual’ for FHA’s Multifamily housing

programs that we hope will make it easier for our partners to do business with us,” said Ed Golding, Principal Deputy Assistant Secretary for Housing. “This new guide is the product of substantial feedback we’ve received from those who will actually be using our programs to finance the production and preservation of FHA-insured multifamily housing.”

There are approximately 90 MAP lenders originating FHA-insured multifamily housing developments. Updating and clarifying the MAP guide supports an estimated \$11 billion of FHA insured lending each year. In addition, the updated MAP Guide reflects significant progress over the past five years to improve processing times and to better align FHA multifamily transactions with industry standards and practices, especially those supported by the Low-Income Housing Tax Credit Program.

You can view the MAP Guide [here](#).

RAD Provides A Place to Call Home

Through a RAD conversion, the Housing Authority of Greene County (HAGC), Illinois, replaced old obsolete units at Walnut Estates with new single family homes.

These newly built homes not only offer new homes to families but also the opportunity for these families to have amenities such as a two-car garage, energy efficient washing machines and dryers, dishwashers and a place they are proud to call home.

The local government and community strongly supported the conversion of Walnut Estates under RAD. The local Lions Club even awarded the project with a Home Town Pride Award for their contribution to the betterment of the community.

During the construction phase, the community was able to view the spacious townhouse and ranch style two and three bedroom homes. The community has expressed excitement in the progress the county continues to make towards furthering affordable housing.

These homes are the first new construction the county has seen in years. Comments made regarding the homes included, “Wow, I can’t believe how nice they are, this is better than the house I live in,” and “How do I apply for one of these homes?”



Not only is the community impressed with the new construction of Walnut Estates, but those families fortunate enough to get one of the new homes are excited by the prospect. They will have a new home with a location that provide greater opportunities for employment and other benefits that will further efforts towards self-sufficiency.

If it weren’t for RAD, Mr. Kim Henderson and his family would not have had the opportunity to occupy a new affordable home. They are continually expressing to the management staff how thankful they are to have a decent, safe and affordable home.

Mr. Henderson, said “In my entire life I have never had a home as nice as this.” He and his family are looking forward to home ownership in the future, something they thought would never be possible.

Senior Staff Q & A: Mark Kudlowitz Director, HQ Program Administration Office



What is your role and how long have you been at HUD?

I'm the Program Administration Office Director for Priya's front office and have been in this role for over five months.

What is the mission of the HQ PAO?

The HQ PAO serves as a front office for the DAS and as a coordinator for moving forward policy priorities. PAO specializes in the following functions:

- Coordinating **clearance** of Multifamily Housing documents
- Managing the DAS' **policy priorities** in conjunction with the other offices
- **Representing** the Multifamily Housing office to both internal and external stakeholders
- Coordinating the annual Multifamily Housing **budget process**
- Providing **communications** support to the DAS and Multifamily Housing offices
- **Coordinating external engagements**, including HUD Office of Inspector General audits, Government Accountability Office reports, and Congressional inquiries

What did you do before arriving at HUD?

I spent seven years working at the Community Development Financial Institutions Fund at the Department of the Treasury. While there, I implemented new competitive programs directed towards mission-based lenders, including the Capital Magnet Fund, an affordable housing finance program and the Healthy Food Financing Initiative, a program

designed to increase financing towards healthy food retail outlets in low-income communities. I also managed the CDFI Fund's Native Initiatives Programs which provides around \$200 million a year in competitive awards to CDFIs.

Prior to working at the CDFI Fund, I helped managed affordable housing and community development programs at the D.C. Department of Housing and Community Development and also worked at the Housing Assistance Council, a CDFI and national affordable housing intermediary that works to improve affordable housing in low-income rural communities.

What opportunities do you see working in Multifamily?

I think there are many opportunities in MFH, including the ability to work directly on very important housing programs and to be surrounded by such a mission-driven and dedicated staff that is working each day to improve operations and make sure programs are responsive to our stakeholders.

What excites you about your current position?

There are a lot of exciting aspects of this work although I really enjoy working to implement Multifamily's policy priorities since they will expand HUD's programmatic reach and ability to improve the lives of low-income people. I am fortunate to work with a great team here that makes this demanding work possible.

What is a fun fact most people probably don't know about you?

I'm not the most athletic guy in the world although I enjoy playing basketball and play in a local league.

HQ Hosts First Multifamily Town Hall of 2016



DAS Priya Jayachandran welcomes participants at the FY16 2nd Quarter Multifamily Town Hall

On Feb. 8, Multifamily Housing held its first town hall of 2016. While the event was hosted at headquarters in Washington, D.C., the San Francisco and Denver offices participated via video conference.

The DAS welcomed everyone to the event and explained the intent. "The purpose of these Town Hall meetings is to celebrate our successes, acknowledge all of our hard work and to facilitate information sharing."

Many individuals were recognized for their work on various projects and the Seattle office was recognized as a group for their efforts in support of the Multifamily For Tomorrow transformation.

"I would like to recognize the entire Seattle Multifamily staff and their HUB Director, Phillip Head specifically," said Priya. "Phillip and his team were incredibly professional and generous in making sure that the future West Region's staff in the San Francisco and Denver offices would be able to provide continuity of



Alexa Jeffress and other San Francisco-based staff provide an update during the FY16 2nd Quarter Multifamily Town Hall

services to our stakeholders."

In their comments, the West region office echoed that gratitude, saying the efforts of the Seattle office led to a successful and virtually seamless transition.

The West region went on to provide examples of the impact of their work such as preserving more than 11,000 units of affordable housing in their region since 2011 as well as their completion of the first Senior Preservation Rental Assistance Contract in the country.

In her introductions of the Denver office, Priya made sure to congratulate them on their recent Superbowl victory. This was met by cheers coming from the room in Denver which was decorated in banner and balloons in honor of their hometown heroes, the Broncos.

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For Jim Carey, It All Comes Back Around



Jim Carey started his housing career at HUD, left for decades, and as if part of some grand cycle, this is where his career will come to a close more than 40 years later.

He began his career as a real estate appraiser with HUD in the Boston Office.

In July 1975 he left HUD to work with the City of Newburyport and their nationally recognized historic preservation efforts.

He went on to develop affordable housing with for profit and non-profit organizations in the Boston area before serving as Deputy Director for the Massachusetts Housing Finance Agency where he was responsible for the agency's Mortgage Revenue Bond programs.

Jim moved to the D.C. area in the 1990s to serve as the Director of Policy and Program Assessment at Freddie Mac, where he was responsible for the development of Freddie Mac's affordable lending policies and products

It wasn't until 2009 that he returned to HUD to take on his current role as Director, Program Administration Division Office of Multifamily Housing Programs.

In this capacity he is responsible for the implementation of FHA's risk share programs and the overall development of FHA's multifamily policies and products.

Mr. Carey holds a Masters Degree from Northeastern University in Boston, Massachusetts and earned an undergraduate degree from Franklin and Marshall College in Lancaster, Pennsylvania.

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The Denver Staff, decked out in Broncos gear, participate in the FY16 2nd Quarter Multifamily Town Hall

The event concluded with a question and answer session where questions were taken from those in attendance and by email for those in the field.

Multifamily Housing Town Halls take place quarterly and the next one is tentatively scheduled for June.

HUD employees can watch the February Town Hall by going to <http://webcast.hud.gov/> and typing "Multifamily Housing" in the search bar.

Secretary Announces MIP Reduction for Certain Properties



Secretary of Housing Julian Castro addresses crowd at Poindexter Place in Columbus, OH.

In an effort to help preserve and increase the amount of affordable, quality rental housing across the country, the FHA announced on January 28, a multifamily insurance rate reduction designed to encourage capital financing of affordable and energy-efficient apartments.

The rate reductions announced will take effect on April 1, and will directly impact FHA's Multifamily Housing Programs and properties housing low and moderate-income families and/or developments installing energy-efficient systems or building within federal energy guidelines. Multifamily insurance rates for market-rate properties that are not energy efficient or affordable will remain unchanged.

HUD Secretary Julián Castro made the announcement during a visit to Poindexter Place, an affordable housing complex in Columbus, Ohio.

FHA estimates that the multifamily insurance rate reductions will spur the rehabilitation of an additional 12,000 units of affordable housing per year nationally, meaning over the next three years nearly 40,000 families could benefit from higher quality and affordable housing.

"Families across the country are struggling through an affordable housing crisis," said Secretary Castro. "By reducing our rates, this Administration is taking a significant step to encourage the preservation and development of affordable and energy efficient housing in communities large and small. This way, hard-working families won't have to make the false choice between quality or affordable housing."

The reduced rates announced are made possible by the strong health of the FHA Multifamily portfolio, which stands at a historically low default rate of 0.15 percent.

FHA's Multifamily business traditionally generates significant revenue for taxpayers; these changes will leverage over \$400 million in new mortgage financing for affordable housing/energy-efficient development without significantly decreasing overall revenue.

Even with these reductions, affordable and energy-efficient loans originated in Fiscal Year 2016 are projected to generate net revenue for the federal government.

For full details on the reductions go [here](#).